

Message

From: Karl Farris [KFarris@hilanddairy.com]
Sent: 3/2/2017 8:45:06 PM
To: Mills, Clarissa [mills.clarissa@epa.gov]
CC: Blunk, Terri [Blunk.Terri@epa.gov]
Subject: RE: Belfonte: Follow-Up and Next Steps

Did get the go ahead to settle out. Please let me know the next steps.

Thanks

Karl Farris
Safety Manager
Hiland Dairy
Cell 417-315-4965

▼ "Mills, Clarissa" ---02/23/2017 10:55:47 AM---Karl, Thank you for your response. I will look forward to hearing from you again once you have had

From: "Mills, Clarissa" <mills.clarissa@epa.gov>
To: Karl Farris <KFarris@hilanddairy.com>
Cc: "Blunk, Terri" <Blunk.Terri@epa.gov>
Date: 02/23/2017 10:55 AM
Subject: RE: Belfonte: Follow-Up and Next Steps

Karl,

Thank you for your response. I will look forward to hearing from you again once you have had an opportunity to discuss the proposal with your top management.

Best,
CHM

Clarissa Howley Mills
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219
(913) 551-7743

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From: Karl Farris [<mailto:KFarris@hilanddairy.com>]
Sent: Thursday, February 23, 2017 10:24 AM
To: Mills, Clarissa <mills.clarissa@epa.gov>
Cc: Blunk, Terri <Blunk.Terri@epa.gov>
Subject: RE: Belfonte: Follow-Up and Next Steps

Thank you Clarissa, will suggest to top management that we agree to this proposal.

I don't think we will pursue any additional SEP's, as improved and streamlined reporting processes and response training are built into the ARM program.

Karl Farris
Safety Manager
Hiland Dairy
Cell 417-315-4965

▼ "Mills, Clarissa" ---02/23/2017 08:46:21 AM---Mr. Farris, Terri and I have completed our review of the documentation concerning the ARM program th

From: "Mills, Clarissa" <mills.clarissa@epa.gov>
To: Karl Farris <KFarris@hilanddairy.com>
Cc: "Blunk, Terri" <Blunk.Terri@epa.gov>
Date: 02/23/2017 08:46 AM
Subject: RE: Belfonte: Follow-Up and Next Steps

Mr. Farris,

Terri and I have completed our review of the documentation concerning the ARM program that you provided during our meeting. Unfortunately we are not able to provide credit for Belfonte implementing the ARM Program. As seen on page 6 of the SEP policy, SEPs are required to be projects that Respondents are not already required by law to perform. Here, as the documentation you provided states, the purpose of the ARM program is to provide documentation that *facilities are complying with USEPA's General Duty Clause requirements*. The documentation you provided does lay out an excellent plan for documenting compliance with the General Duty Clause and for updating Belfonte's Emergency Action Plan and training, and while we cannot approve SEP credit we can propose an additional 10% reduction in penalty for purposes of settlement, resulting in a total penalty of \$29,448.

Another issue with using the ARM as a SEP for this settlement is that SEPs need to have a nexus with the violations being settled. Generally, SEPs for EPCRA violations must serve to improve

communications between responders and facility personnel when releases occur (i.e. a sensor that alerts the LEPC or designated facility personnel who are responsible for providing EPCRA notifications that a release is occurring, improved fence line monitoring for a release, programs responders can use to alert nearby businesses/public that a release is occurring (often by sending a text message) or increasing responders capabilities to respond to a release at your facility. If you would still like to consider completing a SEP we would suggest that you review Category G, Emergency Planning and Preparedness on page 16 of the SEP policy keeping in mind that any proposed SEP must have a "nexus" to the violations.

Please feel free to contact myself or Terri with any questions you may have.

Best,
CHM

Clarissa Howley Mills
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From: Karl Farris [<mailto:KFarris@hilanddairy.com>]
Sent: Friday, February 17, 2017 3:23 PM
To: Mills, Clarissa <mills.clarissa@epa.gov>
Subject: RE: Belfonte: Follow-Up and Next Steps

Ms Mills

As discussed, we are implementing an ARM program for the Belfonte facility in Kansas city. I have read your SEP policy and it seems to be a matter of semantics on determining the application of the ARM program development as a feasible SEP project. SEP projects cannot be those things already required by the law or code. The ARM program is a strictly

voluntary program not required by any law or code, but it serves as a vehicle to ensure that both codes and good practices are performed and managed. It's a bit of a conundrum, a highly beneficial, voluntary program facilitating practices, some of which are code, law or at least guidelines and recommendations.

Regardless of this conundrum, an ARM program is what the facility needs and would benefit from. The elements of the ARM program include:

- Management system
- Refrigeration system documentation
- Operating procedures
- Preventative maintenance program
- Contractor control
- Emergency response
- Incident investigation
- Training
- Hazard review procedures
- Refrigeration system change procedures

Please share your thoughts on applicability and whether we can proceed.

Karl Farris
Safety Manager
Hiland Dairy
Cell 417-315-4965

▼ "Mills, Clarissa" ---02/10/2017 12:53:44 PM---Mr. Farris, The question is whether the ARM program addresses elements that are already required und

From: "Mills, Clarissa" <mills.clarissa@epa.gov>
To: Karl Farris <KFarris@hilanddairy.com>
Cc: "Blunk, Terri" <Blunk.Terri@epa.gov>, "dsanders@belfontedairy.com"

<dsanders@belfontedairy.com>

Date: 02/10/2017 12:53 PM

Subject: RE: Belfonte: Follow-Up and Next Steps

Mr. Farris,

The question is whether the ARM program addresses elements that are already required under the General Duty Clause of the Clean Air Act, Section 112(r)(1) or whether there are elements that go above and beyond what is statutorily required for your facility. As we discussed during the meeting, while Belfonte may not be required to submit an RMP for the facility due to being under threshold, the elements of the General Duty Clause must still be met. Further, if you have gone above and beyond compliance, any projects you completed as part of the program would need to align with the requirements set forth in the SEP Policy that I emailed you yesterday. I would urge you to read through that policy and perhaps you could help us fast track this process by specifically detailing what you believe you have completed (or will complete) that meet with the requirements of the SEP policy. If upon your review you believe the projects and elements meet the SEP policy requirements we can discuss Belfonte submitting a SEP proposal, which would include financial documentation and other information concerning the project in order to calculate the percent mitigation approval.

Clarissa Howley Mills

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From: Karl Farris [<mailto:KFarris@hilanddairy.com>]

Sent: Friday, February 10, 2017 9:53 AM

To: Mills, Clarissa <mills.clarissa@epa.gov>

Cc: Blunk, Terri <Blunk.Terri@epa.gov>; dsanders@belfontedairy.com

Subject: Re: Belfonte: Follow-Up and Next Steps

Ms Mills/ Blunk

I am curious about the ARM program being under consideration as a SEP project. In my way of thinking, the ARM program we are developing is exactly what we and all non PSM/RMP facilities need. It is strictly an optional program that will enable us to manage the system with policies and procedures for all aspects of ammonia process including emergency response, incident reporting and contractor control.

I would like to pursue this as a viable SEP option, but do not want to come across as demonstrating a lack of cooperation and/or willingness to settle.

Any input would be appreciated.

Thanks

Karl Farris
Safety Manager
Hiland Dairy
Cell 417-315-4965

▼"Mills, Clarissa" ---02/09/2017 05:48:34 PM---Mr.
Farris and Mr. Sanders, Thank you again for meeting
with Terri and myself, we appreciate you tak

From: "Mills, Clarissa" <mills.clarissa@epa.gov>
To: "KFarris@hilanddairy.com" <KFarris@hilanddairy.com>,
"dsanders@belfontedairy.com" <dsanders@belfontedairy.com>
Cc: "Blunk, Terri" <Blunk.Terri@epa.gov>
Date: 02/09/2017 05:48 PM
Subject: Belfonte: Follow-Up and Next Steps

Mr. Farris and Mr. Sanders,

Thank you again for meeting with Terri and myself, we appreciate you taking the time to meet with us and the steps Belfonte has taken thus far to come into compliance and resolve this matter. The following is the follow-up to our meeting I promised and information concerning next steps.

First, during our meeting we discussed that Terri and I would re-review our penalty calculation based on the information you provided concerning the facility and compliance steps you have taken. I will break out the adjustments we made by violation.

Due to your cooperation, exhibited willingness to settle, and efforts to come into quick compliance (especially including your efforts to develop an Ammonia Refrigeration Management (ARM) Program, we would propose reducing your penalty by an additional 25%. Further, if we are able to reach a settlement within the next 60 days, we would propose reducing your penalty by an additional 10%, resulting in a penalty amount of **\$32,720**. As detailed in the pre-filing letter, administrative matters are not finalized or concluded until a Consent Agreement and Final Order is signed by all the parties and filed with and signed by the Regional Judicial Officer. These additional reductions in the penalty would be contingent upon settlement within approximately 60 days.

Second, next steps. The next step for Belfonte is to let us know how you would like to move forward to resolve this matter. As a reminder, the matter is resolved once a Consent Agreement and Final Order are entered into and a civil penalty is paid. If you do

not agree to the penalty amount proposed above,
there are a number of options available to you to
further adjust the amount and they are as follows:

Third, you expressed some difficulty making contact with MERC and we discussed providing you with additional contact information: Karen Eagleson at (573) 526-9240. We understand Karen is out this week but should be back next week.

Please feel free to reach out to Terri or myself with any questions you may have. I would appreciate hearing from you again in response to how you would like to

move forward within 10 business days.

Clarissa Howley Mills

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[attachment "sepupdatedpolicy15.pdf" deleted by Karl Farris/prairiefarms] [attachment "memo-nextgen-useinenfsettlements.pdf" deleted by Karl Farris/prairiefarms] [attachment "EPCRA 304, 311, 312

and CERCLA 103.pdf" deleted by Karl
Farris/prairiefarms]